

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Application for Review of decision of	)	CC Docket No. 02-6
the Schools and Libraries Division	)	
of the Universal Service Administrative	)	
Company	)	
	)	
Appeal of Commitment Adjustment	)	
Funding Year: Year 5 (2002-2003)	)	
SLD Invoice Number: 437395	)	
Form 471 Application Number: 322249	)	
Funding Request Number: 858276	)	
Applicant: Muskegon Heights Public Schools	)	

**APPEAL OF ADMINISTRATOR'S DECISION**

Verizon North Inc. ("Verizon") hereby appeals the decision of the Universal Service Administrative Company ("USAC" or "the Administrator") to fail to pay almost {Begin Proprietary} {End Proprietary} for eligible services provided to Muskegon Heights Public Schools, located in Michigan.<sup>1</sup> In its funding commitment decision letter, USAC approved more than {Begin Proprietary} {End Proprietary} in funding for eligible Internal Connection services.<sup>2</sup> However, when Verizon submitted an invoice for the services, USAC paid less than one fourth of the total {Begin Proprietary} {End Proprietary} billed.<sup>3</sup> Verizon appealed the

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<sup>1</sup> See September 30, 2005, Letter, from Schools and Libraries Division, USAC, to Alan Mason, Verizon North, Inc. ("USAC Decision Letter"), attached hereto at Exhibit A.

<sup>2</sup> See October 8, 2002 Funding Commitment Decision letter, attached hereto at Exhibit B.

<sup>3</sup> See Service Provider Invoice Form, attached at Exhibit C; *see also* USAC Decision Letter, Attachment #1 (listing items deemed ineligible).

funding decision to USAC. The Administrator's Decision on Invoice Appeal merely stated that Verizon's invoice "included costs for ineligible products and/or services" and that "[s]ome of these items are ineligible under program rules, and one item was not requested on the applicant's Form 471 for this FRN." *See* USAC Decision Letter, at 1.

However, as shown in more detail in the spreadsheet attached at Exhibit D, it appears that USAC mistakenly classified some items as ineligible that should have been eligible for payment. In particular, it:

- Excluded {**Begin Proprietary**} {**End Proprietary**} worth of project management services related to on-site visits to supervise the installation of eligible services. *See* Exhibit D, Page 1, Lines 4-13.

According to the Eligible Services List then in effect, such services should be eligible for funding if "they are part of a contract or bid for . . . eligible products and services."<sup>4</sup> The price for these services were included in the bid for the package of services approved for funding. *See* Form 471 and attachments, attached at Exhibit F; *see also* customer invoices and Statement of Work, Section 4 ("Project/Engagement Management"), attached at Exhibit G.

- Failed to pay {**Begin Proprietary**} {**End Proprietary**} for upgrades to PBX system software and hardware that were necessary to maintain the proper functioning of the PBX. The applicant properly ordered these items to replace a system that was crashing, because the manufacturer (Nortel) was discontinuing the existing software and hardware. *See* Exhibit

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<sup>4</sup> *See* Eligible Services List, at 34 (dated Oct. 17, 2001) ("Eligible Services List"), attached hereto at Exhibit E.

D, Page 1, Lines 15-35. The Eligible Services List states that “[a] PBX and the core PBX operating system are, in general, eligible for discount.” Eligible Services List, at 24. Although PBX “programming modules or software” are not eligible, *id.*, that exclusion generally has been applied only to end-user software. As the Eligible Services List clarifies in the description of eligible software, software required to obtain operation of eligible equipment, such as network operating software, is eligible if required as a core component of an eligible Internal Connection. *Id.*, at 27.

- Failed to pay {Begin Proprietary} {End Proprietary} for remote PBX equipment for a new school building that was providing K-12 alternate education. *See* Exhibit D, Page 2, Lines 37-72; *see also* customer invoice, attached at Exhibit I. Again, the Eligible Services List states that “[a] PBX and the core PBX operating system are, in general, eligible for discount.” Eligible Services List, at 24.
- Excluded {Begin Proprietary} {End Proprietary} for middle school network switches and Polycom videoconferencing equipment. *See* Exhibit D, Page 3, Lines 74-113; *see also* customer invoices attached at Exhibit J. The Eligible Services List states that switches and videoconferencing equipment are eligible for discount. *See* Eligible Services List, at 28, 30-31. The amount claimed for these services has been adjusted to eliminate ineligible components. *See* Exhibit D, Page 3, Lines 93-104.
- Failed to pay {Begin Proprietary} {End Proprietary} for maintenance for basic voice and data services. *See* Exhibit D, Page 4, Lines

115-139. The Eligible Services List states that basic maintenance costs are eligible for discount if they are “a component of a maintenance agreement/contract for an eligible service or product.” Eligible Services List, at 34. That is the case here. *See* customer invoices and Maintenance Agreements, attached at Exhibit K.

The Commission should reverse USAC’s decision, and direct USAC to pay Verizon the {Begin Proprietary} {End Proprietary} in eligible services it erroneously excluded.

**Conclusion**

The Commission should direct USAC to pay Verizon the additional {Begin Proprietary} {End Proprietary} due for eligible services provided to the Muskegon Heights Middle School.

Respectfully submitted,



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November 29, 2005

**EXHIBITS A-D  
REDACTED**

## Reference Area

### Eligible Services List

The Eligible Services List provides guidance on the eligibility of products and services for which applicants may be seeking E-rate discounts.

Applicants and service providers should review this list carefully. Items featured in bold text reflect changes made to the list since January 24, 2001.

New or changed entries in the List include:

Telecommunications Services  
Internet2  
On-premise Equipment for End-to-end Service

Internet Access  
Applications Services  
Specialized Services

Internal Connections  
Servers  
Voice/video over IP (VoIP)

Miscellaneous  
Dark Fiber  
Professional Services

The Eligible Services List is saved as a PDF file that may be downloaded and viewed using Adobe Acrobat, version 4.0 or higher. If you need assistance viewing or downloading PDF files, please refer to **PDF Help** in the Reference Area of this web site.

**[Updated Eligible Services List (PDF Document, 180kb)]**

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# SCHOOLS AND LIBRARIES<sup>1</sup>

## Eligible Services List

The primary purpose of the services for which support is sought must be the delivery of services to the classrooms or other places of instruction at schools and libraries that meet the statutory definition of an eligible institution. Support for the administrative functions of library or education programs is permitted so long as the services are part of the network of shared services for learning. Support will be limited to services delivered to the onsite educational facility or facilities.

The eligibility of a product/service is not solely dependent on the item itself, but also on the use for which it is intended. The use of an otherwise eligible product/service by an ineligible entity, or for an ineligible purpose, is not eligible for discount under the "E-Rate" program. The eligibility of the products/services identified on this list assumes their use is intended to be by eligible entities, for eligible purposes.

Items in **Bold** indicate a modification or clarification of product or service eligibility after January 24, 2001

SERVICE	ELEMENT/DESCRIPTION	ELIGIBLE YES/NO
<b>TELECOMMUNICATIONS SERVICES</b>		
<p>To be eligible for support, Telecommunications Services must be provided by an eligible Telecommunications Service provider, that is, one who provides Telecommunications Service on a common carriage basis. A provider/carrier is providing services on a common carriage basis if it holds itself out to provide service generally to the public for a fee. A State commission may upon its own motion or upon request designate a common carrier that meets the requirements as set forth in the Communications Act of 1934, Section 214 {47 U.S.C. 241} (e) (2) Designation of Eligible Telecommunications Carriers.</p> <p><b>Eligibility determinations indicated in this section apply to Telecommunications Services only, not component purchases by applicants.</b></p>		
<b>800 Service</b>	<b>800 Service provides toll calling that is paid by the called party rather than the calling party. The name comes from the original Area Code used for all toll-free numbers. Current and future "800 Service" Area Codes use the convention 8NN, where N is a specific digit, for example 888, 877, and 866.</b>	<b>Yes</b>
900	"900" is an information service area code, or dial access code, used to reach a wide range of information providers. Examples of the information that may be provided via a 900 number are adult content programming, weather reports, lottery results, or caller voting for various topics such as television polls. 900 Service calls are charged to the party originating the call. Charges for accessing 900 calls are often included in the toll charges on the local telephone bill. Calls made to 900 Service providers often include a preamble identifying the charges that will be incurred if the call is completed. 900 Service and the cost of dialing into a 900 Service Provider is not eligible for discount. The charges that are reflected on the telephone bill of schools and libraries are therefore ineligible for discount.	No

<sup>1</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776 (1997). ERRATA released 6/04/97 and 12/24/97.

900/976 Call Blocking	A monthly, or recurring, telephone company charge for the blocking of calls to 900 or 976 numbers. The blocking prevents callers from completing calls to 900 or 976 numbers, which are not eligible for discount.	Yes
911/E911 Trunks/Lines	911/E9911 dedicated telecommunications trunks, or lines, specifically or exclusively used for connection between a school/library and a Public Safety Answering Point (PSAP) are not eligible for discount.	No
Asynchronous Transfer Mode (ATM)	ATM is a high bandwidth switching technology that can handle all types of traffic such as voice, video, data, images, high quality audio and multimedia. It uses small, fixed size cells and is asynchronous because cells are transmitted through a network on an "as needed" basis and not merely transmitted during specific time intervals. It can be used for both WAN and LAN applications and provides a seamless interworking between the two. ATM is a technology designed to combine the benefits of switching technology with those of packet switching.	Yes
Basic Telephone Service	The basic telephone service provided by the telephone company. <sup>2</sup> Basic telephone service includes both "Plain Old Telephone Service", Cellular/Personal Communications Service and long distance telephone service. See POTS, long distance telephone, Cellular Service and Personal Communications Service for complete description.	Yes
Burglar Alarm Telephone Line	A burglar alarm telephone line is a telecommunications line specifically dedicated to a school or library's burglar alarm system. It may be the equivalent of a POTS line, or a dedicated line between the school or library's alarm company.  Burglar alarm lines are not eligible for discount.	No
Cellular Service	Technology that uses radio transmissions to access other telephone-company networks. Service is provided in a particular area by a low-power transmitter.  The cost of Cellular service is eligible for discount, but the cost of telephones or associated maintenance on the equipment is not.  Cellular service is eligible for discount when provided for use at a place of instruction and for educational purposes. The use of the phone must support instruction (including learning in a library) or support curriculum or instruction management. Cell service for teachers, teacher aides, principals, curriculum coordinators, superintendents, and librarians, for example, would be eligible. Generally, cell service for school or library personnel not involved with instruction, such as cafeteria directors, maintenance personnel, facility directors, would not be eligible unless those individuals also provide instruction, in which case they would. The service is not eligible if used only for security purposes, including security purposes on school buses.  See also the footnote accompanying the entry for Basic Telephone Service.	Conditional

<sup>2</sup> Please note that if ordering ONLY Basic Telephone Service and submitting a Form 471 application ONLY for Basic Telephone Service, you are not required to prepare, submit and have an approved Technology Plan.



Centrex	<p>A <b>business telephone service</b> that consists of a wide variety of features, <b>such as call forwarding and call transfer</b>, provided by central office software and extended to the customer's premises via local distribution facilities. This is not considered basic telephone service. Applicants requesting discounts on Centrex would need to have technology plans.</p> <p><b>Services that provide CENTREX-like features but are marketed under different names are also eligible for discount.</b></p>	Yes
Centrex Common Equipment	Centrex Common Equipment is the recurring monthly charge associated with the CENTREX service. The Common Equipment is not actually equipment, nor is it software. It is the charge assessed to recover the cost of central office-based software features that are common to the CENTREX group or feature package. As a component of an eligible Telecommunications Service, Centrex Common Equipment is eligible for discount.	Yes
Coin Telephone Service (Payphone)	Telephone service provided in a public, or semi-public, place and which requires the use of coins, credit card, pre-pay card or other means of payment for the telephone call, at the time of placing the call(s). Formally called coin telephones, payphone service allows the caller to pay for the call in a number of ways, including prepaid, collect and third party billed. Both the payphone service and the cost of the actual payphones are ineligible for discount.	No
Custom Calling Services	<b>Special services that extend the features available with basic telephone service, and require no special equipment at customer premises. Features available include call waiting, 3-way calling, speed calling, and call forwarding.</b>	Yes
Digital Data Service	Sub-T-1 Facilities - Provides a 4 wire synchronous circuit at rates of 2.4, 4.8, 9.6, 56, 64 Kbps. It may be provided either hubbed or non-hubbed.	Yes
Digital Subscriber Line (DSL)	Digital Subscriber Line (DSL) is a <b>generic name for a family of digital lines that provide high bandwidth over existing copper lines. Specific implementations include ADSL, SDSL, HDSL, IDSL and VDSL.</b>	Yes
Direct Broadcast Satellite	Direct Broadcast Satellite (DBS) is a digital system that uses satellite to transmit TV programs to its subscribers. The transmitted signals are received using individual roof top antennas. Program reception of the subscriber is limited to those channels broadcast by a specific provider.	No
Directory Advertising	Directory Advertising is advertising in the telephone directory yellow pages, <b>Internet, or elsewhere.</b> This may be provided by the telephone company or another entity. The cost associated with this advertising is not a Telecommunications Service and not eligible for discount.	No
Directory Assistance Charges	Directory Assistance Charges are those charges assessed for calls made to 411, or other Directory Assistance numbers such as (201) 555-1212, for information. Typically charges are assessed on a per call basis and are considered an eligible Telecommunications Service.	Yes

Directory Listing (Additional)	<p><b>Additional – Unlisted – Non-Published – Bold</b></p> <p>A telephone company directory contains an alphabetical listing, by name, of all telephone subscribers except those requesting unlisted or non-published service. Typically, the initial directory listing is provided free of charge to the subscriber. Additional listings are those in addition to the initial telephone listing. Unlisted numbers and those that are non-published, <b>and bolded listings</b>, incur additional recurring charges. Fees for an additional directory listing, an unlisted number, an unpublished number, <b>and a bolded listing</b> are not eligible for discount.</p>	No
Direct Inward Dialing	Direct Inward Dialing (DID) service, which allows outside calls to be directed to a Private Branch Exchange station line without the use of an operator, is eligible for discount.	Yes
Distance Learning Circuits	<b>Distance Learning</b> utilizes video and audio technologies to allow students who are remotely located from other students or the lecturer to participate interactively with the class. <b>Distance Learning</b> is eligible if provided as a Telecommunications Service. <b>Services that include their own content are not eligible.</b>	Conditional
DS-1 (Digital Signal 1)	DS-1, which stands for Digital Signal 1, is the North American Digital Hierarchy signaling standard for transmission at 1.544 Mbps. DS-1 supports 24 simultaneous DS-0 signals. The term DS-1 is often used interchangeably with T-1, although DS-1 signals may be exchanged over other transmission systems. DS-1 is an eligible Telecommunications Service.	Yes
Fax Machine Line	A fax machine telephone line is a telecommunications line specifically dedicated to a school or library's fax machine. It is the equivalent of a POTS line and as a telecommunications service, eligible for discount.	Yes
Fire Alarm Telephone Line	<p>A fire alarm telephone line is a telecommunications line specifically dedicated to a school or library's fire alarm system. It may be the equivalent of a POTS line, or a dedicated line between the school or library's alarm company, fire department or other emergency agency.</p> <p>Fire alarm lines are not eligible for discount.</p>	No
Fractionalized T-1	Provides a data rate between 56Kbps (DS-0) and 1.544 Mbps. It is typically used for LAN interconnection, video conferencing, high-speed mainframe connection and computer imaging. It is typically provided on four-wire copper circuits.	Yes
Frame Relay Service	<p>A form of packet switching utilizing smaller packets and requiring less error checking than more traditional forms of packet switching. A frame-based technology for the transfer of protocol-oriented data, frame relay is characterized by connection-oriented services up to 50 Mbps.</p> <p>UNI Link - Port, Channel Termination and Mileage</p> <p>These services provide the physical, electrical and functional demarcation point between the user and the telecommunications carriers, public switched network facilities and are eligible for discounts.</p>	<p>Yes</p> <p>Yes</p>

	<p>NNI Link - Port, DS1CT Connection, Permanent Virtual Connection (PVC)</p> <p>A permanent association between two DTEs (Data Terminal Equipment) established by configuration. PVC uses a fixed logical channel to maintain a permanent association between the DTEs. PVCs are widely used in X.25 networks and are the basis on which communications take place in a Frame Relay Network.</p>	Yes
High Capacity Service	Digital transmission links with capacities of 1.544 Mbps to 274.176 Mbps. As an example: T-1s use two pairs of normal twisted wires and provide 24 voice channels, each one digitized at 64 Kbps. It is typically used to connect networks across remote distances.	Yes
Homework Hotline Service	<p>This service is typically provided as a toll free telephone number for students to contact the school regarding questions on homework. The service is eligible as a Telecommunications Service.</p> <p>If the service is provided as a voice mail service, the voice mail service is ineligible. Additionally, only that portion of the service located at the school/classroom is eligible. Elements of the service located at, or originating from, the student location are ineligible.</p>	Conditional
Inside Wire Maintenance Plan	<p>An Inside Wire Maintenance Plan is the monthly recurring charge that provides for the repair, replacement and maintenance of customer owned inside premise wire. That is, the wire located on the client side of the Network Interface Device, or DMark. <b>Cost of the service is eligible and may be listed in regular monthly telephone bills.</b></p> <p><b>Plans that provide network management of customer-owned wire or equipment, in addition to maintenance, are not eligible.</b> Wire maintenance plans that contain provisions for a free loaner telephone are not eligible for discount, unless the school or library agrees not to make use of the free loaner telephone.</p>	Conditional
Interactive TV (Television)	<p>Interactive TV (ITV) provides a means for a viewer to interact with the television set in ways other than controlling the channel and the volume and handling videotapes. Illustrations of the type of interactive TV uses that may be selected are: choosing a video film for viewing from a central bank of films, playing an interactive game with other users of Interactive TV, voting, sending or receiving medical information; or providing other immediate feedback through the television connection, banking from home, and shopping from home.</p> <p>In an education setting such as in a school, ITV provides a means for teachers and students who are remotely located in different places to conduct a class and to interact with each other. ITV requires special "set-top box" to be added to the existing television set. ITV can be provided through a cable modem which extends the TV cable bandwidth to the television set, or via a personal computer</p> <p><b>A telecommunications circuit that provides Interactive TV is eligible for discount, provided that the service does not include its own content.</b></p>	Conditional

Internet2	Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies. A telecommunications link that connects an eligible entity to Internet2 is eligible for discount. Membership dues or any fees for non-telecommunications services are not eligible.	Conditional
ISDN	<p>Integrated Services Digital Network (ISDN) is a system that provides simultaneous voice and high-speed data transmission through a single channel to the user's premises. There are two basic offerings that are standard ISDN service.</p> <p>(1) the Basic Rate (BRI) is 2B+D which provides for two 64 Kbps channels to carry voice or data plus a 16 Kbps signaling channel and</p> <p>(2) the Primary Rate (PRI) is 23B+D, which provides twenty-three 64 Kbps channels and one 64 Kbps signaling channel. The "B" channels are used to carry the data information that is to be transmitted, while the "D" channel carries addressing and other call related information. As a commercially available Telecommunications Service, ISDN is eligible for discount.</p>	Yes
LAN Interconnect Service	LAN Interconnect Service, which connects various locations of a wide area network—typically through leased private line services—through facilities leased from a telecommunications common carrier, is eligible for discounts. If the service is not leased from a telecommunication common carrier, the service is not eligible for discounts.	Conditional
Local Measured Service	<p>Local telephone companies use several methods to bill for local wireline service. One method is Flat Rate in which all originating, or outgoing, local calls are billed at a fixed monthly rate. Another method is Local Measured Service, or Measured Rate Service, in which the subscriber is permitted a small number of local calls, typically 50, with their basic service and then pays incrementally for additional originating calls. Terminating, or incoming calls, are not included and are included in the basic rate for the telephone service with no additional charge.</p> <p>Local Measured Service is an eligible Telecommunications Service.</p>	Yes
Long Distance Service & Charges	Long Distance Service and associated charges are eligible for discount. This is the service provided by interexchange long distance carriers that provide interstate and interLATA telephone calls.	Yes
Metropolitan Area Network (MAN)	Metropolitan Area Network (MAN) is a data network designed for a town or city. In terms of geographic breadth, MANs are larger than Local Area Networks (LANs) but smaller than Wide Area Networks (WANs). In terms of the "E-Rate" program, a MAN and WAN are considered the same. <b>See the listing for Wide Area Network in this section.</b>	Conditional
Message Rate Service	Message Rate Service is a method for billing local telephone calls based on the number of units used during a billing period. See Local Measured Service.	Yes

Network Access Register	<p>Used with Centrex service, the Network Access Register (NAR) serves the same function as a Private Branch Exchange (PBX) trunk in that it provides access to and from the telephone company central office. The number of simultaneous calls to and from the public switched telephone network is equal to the number of NARs the Centrex customer subscribes to.</p> <p>NARs may also be used in conjunction with other eligible telecommunications services such as Network Access Service and Network Access Register Usage Package.</p> <p>Network Access Registers are eligible for discount.</p>	Yes
Non-Published Telephone Line Charge	<p>These are the monthly charges incurred to have a telephone number not be published in the directory. Normally, telephone companies provide a listing of the telephone number in the white and yellow pages of the telephone directory free of charge to their business customers. Residential customers normally receive a free listing in the white pages. Some companies do not publish the subscriber's number in the directory, but will provide it with "Directory Assistance." This charge is ineligible for discount.</p>	No
On-premise Equipment for End-to-End Service	<p>In some instances, service providers may install equipment on the premises of schools or libraries as part of their provision of eligible Telecommunications Services or Internet Access. That equipment may be considered as part of the provision of end-to-end Telecommunications Services or Internet Access (and not as Internal Connections) if the applicant demonstrates that it meets all of the following criteria:</p> <ul style="list-style-type: none"> <li>• It will be provided by the same service provider that provides the service, and ownership will not transfer to the school or library in the future.</li> <li>• The relevant contract or lease does not include an option to purchase the equipment by the school or library.</li> <li>• The school or library has no contractual right to exclusive use of the equipment.</li> <li>• Upfront, non-recurring charges are less than 67% of total charges (recurring plus non-recurring).</li> <li>• The equipment will not be used by the school or library for any purpose other than receipt of the eligible Telecommunications Services or Internet Access of which it is a part.</li> <li>• The Local Area Network for data communications of the school or library is functional without dependence on the equipment.</li> <li>• Responsibility for maintaining the equipment rests with the service provider, not the school or library.</li> </ul> <p>The equipment must be directly related to the end-to-end provision of service by the service provider. If any of these criteria is not met, the equipment is considered to be Internal Connections.</p>	Conditional

Paging Service	<p>Paging is a service designed to deliver a message to a person whose exact location is unknown. The service employs selective radio signals that activate a paging receiver carried by the intended recipient to deliver a text, or voice message.</p> <p>Paging service is eligible for discount when provided for use at a place of instruction and for educational purposes or for use by security personnel. The service is not eligible when provided for uses other than instruction or security.</p> <p>The cost and maintenance of pagers and paging equipment is not eligible for discount.</p>	Conditional
Payphone Service	See Coin Telephone Service.	No
Permanent Virtual Circuit (PVC)	<p>Permanent Virtual Circuits (PVCs) are shared connections between end-points and do not require the use of call set-up and tear-down procedures because each end-point is permanently allocated a portion of bandwidth. The path between users is fixed. If one or more end-points have no data to transmit, its portion of the bandwidth goes unused. PVCs play a central role in Frame Relay networks. They're also supported in some other types of networks, such as X.25.</p> <p>As a Telecommunications Service, the cost of PVCs is eligible for discount.</p>	Yes
Personal Communications Services	Personal Communications Services (PCS) is an advanced wireless network architecture similar to Cellular Service, and the same eligibility conditions apply. See the description of Cellular Service for further information.	Conditional
Phone Calling Cards	<p>Telephone Calling Cards provide a convenient means to make long distance calls from any phone.</p> <p>Calling cards associated with an eligible service, with auditable tracking of long distance calls, and used for eligible purposes, are eligible for discount. Because prepaid calling cards do not supply a record of calls made, they are not eligible for discount.</p>	Conditional
PIC Change Charge	<p>The PIC, or Primary Interexchange Carrier, is the long distance company to which traffic from a given location is automatically routed when dialing 1+ in an equal access area. The selection of the carrier is done by the local telephone customer and becomes a part of the telephone company's records for routing long distance calls made by the customer's number.</p> <p>When the PIC is changed from one long distance company to another at the request of the customer there is a one-time PIC Change Charge assessed by the local telephone company to cover the cost of reprogramming the telephone company central office switch.</p> <p>The PIC Change Charge is eligible for discount.</p>	Yes

POTS	<p>Plain Old Telephone Service, also known as <b>Public Switched Telephone Network (PSTN)</b>, and includes:</p> <ul style="list-style-type: none"> <li>Single Party Service</li> <li>Dual Tone Multi Frequency (DTMF) signaling or equivalent</li> <li>Voice grade access to the public switched network</li> <li>Access to 911</li> <li>Access to operator services, interexchange service, directory assistance</li> </ul> <p><b>Eligibility is limited to business telephone service, except in cases where state or local law allows a school or library to receive local service at the residential rate.</b></p> <p>See also the footnote accompanying the entry for Basic Telephone Service.</p>	Yes
Programmed Audio Service	A channel for the transmission of complex signal voltage that is typically used for radio broadcasting, noncommercial educational audio and wired music.	Yes
Radio Loop	Radio Loop, is provided by a local exchange telecommunications carrier and is called Basic Exchange Telecommunications Radio Service (BETRS). BETRS is used by local telephone companies to provide dial tone to subscribers in certain circumstances, such as when it is either not technically possible or cost effective to provide the service by conventional means. When used as a means of providing an otherwise eligible Telecommunications Service it is eligible for discounts. BETRS should not be confused with Wireless Wide Area Networks, which are purchased, or built by a school or library.	Conditional
Residential Telephone Service	<b>In general, residential telephone service is not eligible. Eligibility is limited to business telephone service, except in cases where state or local law allows a school or library to receive local service at the residential rate.</b>	Conditional
Satellite Service	<p>Satellite service that provides a telecommunications service is eligible for discount. Use of satellite services to participate in academic lectures and/or distance learning is eligible. Satellite communication that provides a broadcast service is not eligible.</p> <p>Although identified here as a Telecommunications Service, it should be noted that Satellite Service for Internet Access is also conditionally eligible and Internet Access requests may be submitted reflecting that use. (See the Wide Area Network entry in the "Internet Access" section for further information.)</p>	Conditional
Serial Digital Video Service	Serial Digital Video Service at 270 Mbps is provided over standard fiber optic facilities for transporting a video signal that has been encoded to 270 Mbps in conformance with NTSC System M digital television equipment. SDVS-270 is designed for one-way, point-to-point applications.	Yes
Shared POTS	Same as POTS, except the service is shared between two entities. As an example, a telephone line may be shared between a parochial school and the church administrative offices; only that portion of the service relating to the school would be eligible.	Conditional

SMDS	Switched Multi-Megabit Data Service (SMDS) is a high speed, packet switched data service that is independently addressed and switched without prior establishment of a network connection or virtual call. SMDS is a switched service using cell-relay technology with the capability of offering transport capacity for data and images at speeds up to 45 megabits per second (Mbps), with potential extensions to 155 Mbps.	Yes
Sub-voice Grade Facilities	Such as telegraph channel service.	Yes
T-1 (Trunk Level 1)	T-1, or Trunk Level 1, is a digital transmission facility operating with a nominal bandwidth of 1.544 Mbps. T-1 is also referred to as DS-1 or Digital Signal Level 1 and in most cases is composed of 24 DS-0 channels. The T-1 transmission signal is the primary digital communications signal in North America and is an eligible Telecommunications Service.  <b>T-1 is also conditionally eligible for Internet Access. (See Wide Area Network in the "Internet Access" section.)</b>	Yes
Trunk	A trunk is a communications path between two switching systems. The term switching systems typically includes equipment in a telephone company central office and a Private Branch Exchange (PBX). Central Office trunks connect a PBX to the switching system at the central office. Tie trunks connect two PBXs together. Most often trunks are provided by Telecommunications Service Providers and are eligible for funding.	Yes
Toll Charges	IntraState, InterState, International	Yes
Unlisted Telephone Line Charges	These are the monthly charges incurred to have a telephone number not be published in the directory, or provided by "Directory Assistance". Normally, telephone companies provide a telephone listing in the white and yellow pages of the telephone directory free of charge to their business customers. Residential customers normally receive a free listing in the white pages. Charges incurred to have a telephone line unlisted are not eligible for discount.	No
Video Service	A channel with one-way transmission capability for standard 525 line/60 field monochrome, or National Television Systems Committee color, video signal and one or two associated 5 or 15 kHz audio signals.	Yes
Voice Mail Service	Voice Mail is a service that allows the user to receive, edit and forward messages to one or more voice mailboxes.	No
Wide Area Network (WAN)	<b>A wide area network is a voice, data, or video network that provides connections from within an eligible school or library to other locations beyond the school or library.<sup>3</sup></b>  <b>Wide area network communication links are eligible Telecommunications Services when they are leased, not purchased. Technologies employed may be ATM, DSL, DS-1, T-1, fractionalized T-1, Frame Relay, ISDN, Satellite, Wireless, or any technology that provides an eligible telecommunications service to the public.</b>	Conditional

<sup>3</sup> Excluded from this definition are services that provide access to broadcast content or cable television, because these are not considered telecommunications services.



	<p>The actual wires that carry information outside the school or library facility are considered to be the WAN components. Network components such as routers located at a school or library facility are considered Internal Connections, and therefore must meet the eligibility conditions as given in the Internal Connections section of this document. Alternatively, networking components such as routers may be provided as a part of WAN services if the conditions listed in the entry "On-premise Equipment for End-to-End Service" in this section are met.</p> <p>See the link <a href="http://www.sl.universalservice.org/reference/wan.asp">http://www.sl.universalservice.org/reference/wan.asp</a> for examples of eligible and ineligible Wide Area Networks.</p>	
Wireless Wide Area Network	<p>A wireless wide area network is a network that meets the definition of a wide area network, and uses radio or light to communicate information, without the use of cables.</p> <p>The same eligibility conditions apply for wireless WANs as for other WANs, except that, in the case of Wireless Wide Area Networks, the radio frequency components such as transmitter and antenna are considered to achieve the same functionality as cabling, and are therefore eligible as a leased Telecommunications Service or Internet Access, and not as Internal Connections.</p> <p>For information about wireless <u>Local</u> Area Networks, see the entries in the Internal Connections section of this document.</p>	Conditional
XDSL	<p>xDSL refers collectively to all types of <u>D</u>igital <u>S</u>ubscriber <u>L</u>ines. See the heading for Digital Subscriber Line for further information.</p>	Yes

SERVICE	ELEMENT/DESCRIPTION	ELIGIBLE YES/NO
<b>INTERNET ACCESS</b>		
<p>Descriptions in this section are limited to the provision of Internet Access, and apply to services, not component purchases. Service Providers for Internet Access need not be eligible Telecommunications Service providers.</p>		
<b>Application Services</b>	<p>Application Service Providers (ASPs) or other entities make available software applications, specialized services, and/or file storage over the Internet, for a fee. The offering of such content and services is not eligible for discount. See also the listing for Internet Content in this section.</p>	No
<b>Basic Unbundled Access</b>	<p>"Basic conduit access" to the Internet is eligible for discount. This includes features typically provided for adequate functionality and performance, such as DNS<sup>4</sup>, DHCP<sup>5</sup>, e-mail, and caching services, when included as a standard component of a vendor's Internet access service.</p>	Yes
<b>Bundled Access</b>	<p>Some Internet access services may include bundled features that are not themselves eligible, such as substantial specialized content. If these ineligible components are priced or sold separately, this cost must be subtracted from the amount eligible for discount. If the ineligible components are not priced or sold separately, the full service can be eligible for discount, but only if content is minimal and the applicant determines that the bundled service is the most cost-effective means for obtaining Internet access.</p> <p>The evaluation of cost-effectiveness must be made without considering the benefits related to ineligible features.</p>	Conditional
<b>Browser</b>	<p>Browser is a generic term for software programs that allow the retrieval and display of documents from the World Wide Web. Browsers can be graphical, allowing the display of graphic images as well as audio and video files with the appropriate helper applications. As with other application software the cost of separate browsers purchased by schools and libraries is not eligible for discount. Browsers may be provided at no additional charge by Internet Service Providers as part of the package of services offered to their clients.</p>	No
<b>Caching Service</b>	<p>Caching service is a special high-speed storage mechanism at the border of a network and the Internet that holds frequently accessed Internet information, thereby reducing retrieval times for information often requested from the Internet. <b>Caching service is not eligible. However, applicants may accept a caching service bundled with Internet Access under the conditions given in the listing for Bundled Access in this section.</b></p>	No

<sup>4</sup> Domain Name Services (DNS) is a system that allows the use of a standard Internet naming convention, such as www.website.com.

<sup>5</sup> Dynamic Host Configuration Protocol (DHCP) is a system that allows computers on the Internet to be automatically assigned a unique address, which is necessary for effective communication.

Domain Name Registration	<p>Domain Name is the portion of a symbolic name that corresponds to the network number in the IP address. In the symbolic name abc@xyz.org, the domain name is xyz.org.</p> <p>Domain Name Registration is the registering of the name and the charge associated with the registration process. Domain Name Registration and other Web related charges are eligible for discount, if they are components of services offered by the Internet Provider.</p>	Conditional
Electronic Library / On-Line Public Access Catalog System	<b>Electronic Libraries or On-Line Public Access Catalog Systems that charge a fee for accessing library catalog systems, searching or using references as a part of Internet access are ineligible for discount. Any software associated with electronic library public access is also ineligible for discount.</b>	No
E-Mail Account Fees	E-Mail account fees are charges for individual user access to e-mail services. E-Mail account fees are eligible.	Yes
E-Mail Service	E-Mail Service, which provides for the transmission of simple text messages and other embedded data, is eligible for discount.	Yes
Filtering Service	Filtering is software or combination software/firmware that protects users from dangerous or inappropriate content on the Internet by blocking Web, FTP and Gopher sites. It may be provided by an Internet provider as a monthly service. Filtering is not eligible for discount, whether as a service or if purchased software. <b>However, applicants may accept a filtering service bundled with Internet Access under the conditions given in the listing for Bundled Access in this section.</b>	No
Firewall Service	Firewall Service is a commercially available service provided by a Telecommunications or Internet provider that provides <b>protection against unauthorized access. It is not eligible for discount. However, applicants may accept a firewall service bundled with Internet Access under the conditions given in the listing for Bundled Access in this section.</b>	No
GSP Rates	<p>GSP is short for Global Service Provider. GSP provides the interLATA component of Internet Services. The GSP services are provided by a number of providers and may be dependent on the Internet Service Provider selected.</p> <p>The GSP provides the interLATA services to connect the ISP network to the global Internet network. There may be separate charges for this component of Internet access and such charges are eligible if the total price of Internet access, including this component, is the most cost-effective means for obtaining access.</p>	Conditional
Internet Content	<p>A service separate from Internet access where a user can obtain information or services at additional cost. Examples include electronic libraries, on-line news services, administration application tools, performance monitoring (e.g., tracking of grades, attendance, homework assignments), classroom management tools, address books, and file storage.</p> <p>E-mail service and e-mail account fees are not considered Internet content. In addition, minimal content may be accepted as a part of Internet access if provided at no charge. See the listing for Bundled Access in this section.</p>	No

Internet Training	Internet training provided for personnel is ineligible.	No
Internet2	<p><b>Internet2 is a consortium of universities, industry, and government for development and deployment of advanced network applications and technologies. Membership dues or any fees for access to content are not eligible for discount.</b></p> <p><b>A link that connects an eligible entity to Internet2 can be eligible as a telecommunications service. See the Internet2 entry in the Telecommunications Services section.</b></p>	No
Specialized Services (e.g., VoIP, VPNs)	<b>Extra-cost services that go beyond basic conduit access to the Internet, such as fees for transport of Voice over IP (VoIP), for provision of Virtual Private Network (VPN) services, or for specialized content or applications, are not eligible for discount.</b>	No
Web Casting	Web Casting is a service provided over the Internet that delivers news to your E-Mail address. A user accesses a Web Casting site and chooses what news content he/she wants to be informed about. Going forward, every time the user logs on, information content will be delivered to the user's mailbox by the Web Casting supplier. There is usually a charge for this service and the charge is not eligible for discount under the E-Rate program.	No
Web Hosting	Web Hosting is an Internet service provided by an Internet Service Provider. The ISP will host a school or library's website (www.schoolname.org) as part of the ISP bundled service offering, or as an optional service. <b>Web Hosting is not eligible for discount</b> provided as a separate line item, with a separate identifiable charge. <b>However, applicants may choose an Internet Access service that includes Web Hosting, under the conditions given in the listing for Bundled Access in this section.</b>	No
Web Site Creation Fee	A separate fee for creating a website or setting up a web address. This service is not eligible. <b>However, applicants may accept a web site creation service bundled with Internet Access under the conditions given in the listing for Bundled Access in this section.</b>	No
Wide Area Network (WAN)	<p><b>A Wide Area Network, as described in the section "Telecommunications Services," can be offered through an Internet Service Provider as a component of Internet Access, if the full cost of Internet access, including the leased wide area network component, is the most cost-effective means of obtaining Internet access.</b></p> <p><b>Wide Area Network technologies that potentially are eligible for discount include but are not limited to ATM, DSL, DS-1, T-1, Fractionalized T-1, Frame Relay, ISDN, Satellite, and Wireless. These technologies are described in more detail in the section "Telecommunications Services."</b></p>	Conditional

INTERNAL CONNECTIONS		
<p>Internal connections are components necessary to transport information to <b>classrooms, publicly accessible rooms of a library, and, in certain circumstances, to administrative areas or buildings.</b> They are connections between or among multiple instructional buildings that comprise a single school campus or multiple non-administrative buildings that comprise a single library branch, but do not include connections that extend beyond that single school campus or library branch.</p>		
911/E911 Enhancements to PBX	Enhancements to Private Branch Exchange (PBX) equipment to facilitate outgoing call traffic to 911/E911 Public Safety Answering Positions (PSAPs) can be used to bypass the system operator and individual station restrictions.	No
Antenna	<p>A device for transmitting and/or receiving radio frequency signals. Antennas should not be confused with a radio tower, which is not eligible.</p> <p>Antennas as part of Wireless Local Area Networks (LANs) are eligible for discount. Only the cost of the antenna is eligible if used for a workstation or PC, <b>rather than the cost of a full network interface card.</b> If the antenna is a part of a network interface card installed in a workstation or PC, the cost of the network interface card must be allocated out of the funding request <b>by the vendor</b> for this combined product.</p> <p>Antennas used for Wireless Wide Area Networks (WANs) are <b>not eligible as Internal Connections, but may be eligible as a part of Telecommunications Services or Internet Access.</b> For further information, see the entries for "Wide Area Network" and "Wireless Wide Area Network" in the Telecommunications Services section, and the entry for "Wide Area Network" in the Internet Access section.</p> <p><b>Antennas used for the receipt of over-the-air radio and television broadcast signals, or radio signals from cable television operators, are not eligible.</b></p>	Conditional
Asbestos Removal	The cost incurred in the removal of asbestos is not eligible for discount.	No
Automatic Call Distribution System (ACD)	An Automatic Call Distribution system, typically used with a PBX, provides a means of automatically distributing calls evenly, on a next available agent basis so that productivity is maintained and inbound calls are handled efficiently. The system also allows the monitoring of operation on a real time basis. Additionally, some systems compile historic reports that enable better utilization of resources in the handling of incoming calls.	No
Automatic Route Selection (ARS)	Automatic Route Selection (ARS) is a PBX and Centrex service that allows for automatic selection of the most efficient and cost effective route. It may also be referred to as "least cost routing". By using the ARS feature, PBX and Centrex stations are routed to the most cost efficient service, or facilities, to make outgoing telephone calls. The cost of the equipment required to provide ARS is eligible for discount.	Yes

<b>Backup Equipment</b>	<p><b>"Backup equipment"</b> used in the context of spare parts is not eligible for discount.</p> <p><b>"Backup equipment"</b> used in the context of data protection, such as a tape backup system is eligible when used as part of an eligible component such as a server. See also <b>"Tape Backup"</b> in this section.</p>	<b>Conditional</b>
<b>Battery Backup</b>	A battery which provides power to a unit or system when the main AC power fails. The battery backup is eligible only if part of, or used with, an eligible component.	<b>Conditional</b>
<b>Battery Module</b>	The battery module is a component of Internal Connections <b>equipment</b> that provides redundant and/or backup power. The battery module is eligible only if <b>online and active, and if part of, or used with, an eligible component.</b>	<b>Conditional</b>
<b>Beeper</b>	<p>Beeper is a term used for a mobile pager. It is the receiving end of a paging service and is a small device worn on the belt, or carried in a handbag. Beepers provide text or voice messages, or both.</p> <p>The purchase of Beepers is not eligible for discount, nor is their maintenance or lease. Beeper/Paging Service is eligible as a Telecommunications Service.</p>	<b>No</b>
<b>Broadband Amplifier</b>	A device utilized to amplify UHF, VHF, or FM radio signals greater than 3 kHz. If used in conjunction with eligible internal connections, the Broadband Amplifier is eligible. <b>See also Broadband VHF &amp; UHF Preamplifiers.</b>	<b>Conditional</b>
<b>Broadband VHF &amp; UHF Preamplifiers</b>	<p>Broadband VHF &amp; UHF Preamplifiers are designed for use with <b>broadcast radio and TV antennas</b>. Preamplifiers are electronic devices that <b>boost</b> an audio or video signal, prior to that signal being amplified for reproduction through a monitor or speaker.</p> <p>Preamplifiers are used with <b>broadcast receiving antennas</b> and are not eligible for discount. <b>See also Broadband Amplifier.</b></p>	<b>No</b>
<b>Bundled Products</b>	<b>Products that contain both eligible and ineligible components may be partially eligible. For example, a product that contains an audio/video codec (conditionally eligible), a microphone (ineligible), and a camera (ineligible) might be partially funded if the equipment manufacturer provides a cost breakdown of components. In such a case, the portion of the product cost associated with eligible components would be eligible.</b>	<b>Conditional</b>
<b>Cabinet Mounted Power Strips</b>	Cabinet mounted power strips are incidental to equipment cabinets installed to house eligible equipment. Power strips are considered eligible only if they are a component part of an eligible service or product.	<b>Conditional</b>

Cabinets	An enclosure for equipment, terminating cables, connection devices and/or wires. Cabinets are eligible if the contained equipment is eligible.	Conditional
Cable Boxes	The cable box is the name used by some vendors and service providers for a cable modem. <b>See the entry for Cable Modem.</b>  If the cable box is not used as a cable modem and houses cable such as in Cat-5 cable, the box is considered part of inside wiring, and is eligible for discounts.	Conditional
Cable Modem	A cable modem is a modem designed for use on a TV coaxial cable circuit, <b>and provides a high speed data path.</b>  If used to provide Internet Access or Telecommunications Services distributed to multiple internal locations, cable modems are eligible. If located in or with end-user equipment or used for cable TV service, they are not eligible.	Conditional
Cabling	<b>See Wiring, Internal</b>	Conditional
Call Accounting Systems	Call Accounting Systems provide comprehensive call costing by translating call record detail output based upon a user profile. Call Accounting Systems can be used to provide details on the actual usage of the system for assessing the effectiveness of telephone services or to itemize calls to specific groups, departments or individuals for cost allocation and individual billing purposes. Call accounting systems are not necessary to transport Telecommunications or Internet access to the classroom or publicly accessible rooms of a library, and are not eligible for discount.	No
Call Sequencer	A Call Sequencer, also called Automatic Call Sequencer, is a device or adjunct piece of equipment, used with a PBX or Key system. The call sequencer distributes incoming telephone calls among a select number of stations or telephones. It may also be used to answer incoming telephone calls and provide prerecorded announcements to the caller. Some call sequencers are also designed to generate statistical reports on number of calls and how those calls were handled. Call sequencers are not necessary to transport Telecommunications or Internet access to the classroom or publicly accessible rooms of a library, and are not eligible for discount.	No
Cartridge Magnetic Tape	Cartridge Magnetic Tape, which holds a magnetic tape of some type, is an <b>expendable item and is not eligible for discounts.</b>	No
CD Tower	CD ROM Towers are multi-bay CD ROM storage devices used to provide high speed access to text, pictures, video and sound stored on CD ROM discs. Provided in a wide variety of speeds and capacities, CD ROM Towers, when used with network servers, offer schools and libraries access to large volumes of data. <b>CD Towers</b> are not eligible for discount.	No

Channel Service Unit (CSU) Data Service Unit (DSU)	A device to terminate a digital channel at a customer premises. It performs certain line coding, line conditioning, and line equalization functions, and it responds to loop back commands sent from the telephone company central office. A CSU sits between the digital line entering the customer premises from the central office and devices such as channel banks or data communications devices. <b>A CSU/DSU is eligible as Internal Connections, and, alternatively, may be provided as part of an eligible Telecommunications Service.</b>	Yes
Circuit Card	A board with microprocessors, transistors, and other small electronic components. Such a board slides into the slot of a telephone system, personal computer, or other electronic equipment. To be eligible, the circuit card must be part of eligible equipment, e.g., part of an eligible PBX, router, or file server.	Conditional
Client Access Licenses	<b>A Client Access License is a software licensing approach used by some vendors, and provides authorization to access a software product. Client Access Licenses that provide access to eligible software are in turn eligible. For example, Client Access Licenses for a network operating system are eligible. Client Access Licenses for word processing or spreadsheet software are not eligible.</b>	Conditional
CODEC	The coder/decoder, also known as CODEC, is a device comprising an encoder and decoder in the same equipment. The CODEC produces a coded output and compresses and decompresses audio and video signals. The CODEC is eligible for discount <b>if used in the transport of information to eligible locations, such as individual classrooms or publicly accessible rooms of a library.</b>	Conditional
Communications Server	<b>See the entry for Remote Access Server.</b>	Conditional
Conduit / Raceway	Conduit and raceway are metal or plastic pipe used to protect cable. <b>They are eligible if used as a means for housing eligible internal connections cabling.</b>  <b>Conduit used for electrical wiring is not eligible for discount. If conduit has a mixed use, such as for both electrical wiring and network cabling, cost of the ineligible portion must be excluded.</b>	Conditional
Connector	A device that electrically connects wires or fibers in cable to equipment, or other wires or fibers. A connector at the end of a telephone cable or wire is used to join that cable to another cable with a matching connector or to some other telecommunications device.	Yes
Console, PBX/Centrex	The operation of a PBX requires the use of a switchboard or console for the transfer of incoming calls to the appropriate extension when systems are not equipped with Direct Inward Dialing. Centrex systems also use a switchboard, or console, for this operation although they are not always required since Centrex provides direct inward dialing capability to the station user. One Console, with or without Direct Station Selection, qualifies for discount with each eligible PBX.	Conditional



Consumables	Miscellaneous components such as tape, splicing materials, labels, and wire wrap are eligible if included as part of the original installation of eligible components. Consumable products are ineligible when they are not included as part of an original installation. Consumable kits which contain installation tools are ineligible.	Conditional
Coupler	The coupler is the device installed by cable companies that allows users to connect more than one television set to the cable feed entering the premises. If the coupler is part of the installation of coax cable, then the coupler is eligible for discounts. If a part of installation of cable television service, the coupler is not eligible for discounts.	Conditional
Digital Video Disc Digital Versatile Disk (DVD)	The acronym "DVD" stands synonymously for both Digital Video Disk and Digital Versatile Disk. DVDs are storage devices similar to CD-ROM discs but able to store much more music, video and data. Their predominant use today is for full motion video. DVDs are not eligible for discount.	No
Digital Video – Read Only Memory Player	A Digital Video Disc - Read Only Memory or DVD-ROM Player or drive is a device which plays or reproduces the music, voice and/or video from a Digital Video Disc. It is not eligible for discount.	No
DIMM	DIMM is short for Dual In-line Memory Module, a small circuit board that holds memory chips. A Single In-line Memory Module, or SIMM, has a 32-bit path to the memory chips whereas a DIMM has 64-bit path. Because the Pentium processor requires a 64-bit path to memory, SIMMs are installed two at a time. With DIMMs, it is necessary to install only one DIMM at a time. As a component of an eligible server, the DIMM is eligible.	Conditional
Disaster Recovery	Disaster Recovery, which describes the means of restoring service to a computer network that has suffered a disaster, is not eligible for discounts. Such costs may include the rental of a site that houses links and equipment that is modeled after the network.	No
Documentation	Documentation includes support material provided in the form of paper or electronic media. It may include diagrams, blueprints, equipment specifications or instruction manuals for eligible services and products. Documentation is eligible for discount if provided as part of the installation of eligible equipment or service.	Conditional
Edge Device	A device, such as a router or Ethernet-to-ATM switch, that is directly connected to an ATM network. The User Network Interface (UNI) defines the connection between the edge device and the ATM network switch. It is the first device in the connection with the ATM network. It is also called an end device.	Yes
E911 Reader Board	The E911 Reader Board is adjunct hardware for a PBX and used to access E911 Emergency service. See also 911/E911 Enhancements to PBX.	No

Electrical System Upgrades	Addition of electrical circuits and outlets to accommodate the addition of network computer hardware.	No
Enhanced Multimedia Interface (EMMI)	The EMMI is an interface that gives PC and workstation users on ATM networks the ability to send and receive full-motion, high quality video, CD-quality stereo and high speed data. Signals are transformed into ATM cells and transported optically, using the Synchronous Optical Network (SONET) standard.	Yes
Environmental Monitoring Card/Meter	The Environmental Monitoring Card is an uninterruptible power supply card used to monitor the environmental conditions in rack, computer room, and data center environments. They are used in climate control and are not a component of Internal Connections used to deliver information to the classroom. The Environmental Monitoring Card/Meter is not eligible for discount.	No
Ethernet Card	The network interface card on an <b>Ethernet</b> or Fast Ethernet LAN. <b>See the entry for Network Interface Card</b>	Conditional
Ethernet Network Module	The network interface card (NIC) for an Ethernet network. <b>See the entry for Network Interface Card.</b>	Conditional
Faceplate	A cover that fits around pushbutton or rotary dial phones. Ineligible as described because telephones are not eligible. A cover over an eligible internal connection such as a jack or outlet is eligible.	Conditional
FAX Machine	Short for facsimile, it is a device in which the image of a document is transferred over the Public Switched Telephone Network and printed out elsewhere. A device used to transmit and receive electronic messages through a phone line connection.	No
FRAD	Short for Frame Relay Assembler/Disassembler, the FRAD is a communications device that breaks a data stream into frames for transmission over a Frame Relay network and recreates a data stream from incoming frames. A Frame Relay router serves the same purpose but provides more intelligence in avoiding congestion. As a component of Internal Connections, FRADs are eligible for discount.	Yes
Frame Relay PVCs	PVC-Permanent Virtual Circuit, a permanent association between two DTEs (Data Terminal Equipment) established by configuration. PVC uses a fixed logical channel to maintain a permanent association between the DTEs. PVCs are widely used in X.25 networks and are the basis on which communications take place in a Frame Relay Network.	Yes
Graphics Cards / Adapters	A Graphics Card, Graphics Adapter or Video Adapter is a circuit board fitted to a computer, containing the necessary video memory and other electronics to provide a bitmap display. Graphics Cards are eligible for discount so long as they are a component of an eligible server. Graphics Cards used in workstations or end user PCs are ineligible for discount.	Conditional

Hard Disk Drive	<b>A storage device that uses platters coated with magnetic material, and heads, which read and write information to and from the media, all sealed in a vacuum in order to maintain tight tolerances. Hard disk drives, including arrays of multiple drives, are eligible for discount if used with an eligible component such as a server, for an eligible use. Hard drives and other storage devices are not eligible if used principally to supplement storage requirements of personal computers on a network.</b>	Conditional
Head-End Equipment	Head-End Equipment-CAT/Video, which is the originating point of signal in cable TV systems, is not eligible for discounts.	No
Homework Hotline Equipment	Equipment used to provide Homework Hotline, including text to voice translation modules, recording devices, automatic dialers, automatic call directors and others are not eligible for discount.	No
Hub	Hubs are devices that serve as the control point for system activity, management and growth. A central connection point, hubs are standard terminology for a device with multiple ports that connects multiple computers in a network.	Yes
Intercom System	Intercom System, which is a stand-alone system and not integral as a bundled component of a PBX, Centrex or key system, is not eligible for discounts.	No
Key System KSU	Key System, also known as Com Key System, is a type of phone system that permits more than one telephone line, PBX extension, private line or intercom line to appear on a single telephone, and is conditionally eligible. Only the costs associated with the common control unit and not any costs associated with telephone sets are eligible for discounts.	Conditional
Laptop Computer	The Laptop Computer is a lightweight portable computer designed for mobility. Typically, laptop computers contain the same functionality as the traditional desktop models. Laptop computers are eligible for discount only if they are used as an eligible server. However, in most cases laptop computers will not meet the definition of eligible Internal Connections and will be used as workstations which are not eligible for discount.	Conditional
Lightning Arrestor	Lightning Arrestor, which protects computer equipment from lightning and static, is not eligible for discounts.	No
Local Area Network (LAN)	<b>A Local Area Network (LAN) is a short distance data communications network used to link together computers and peripheral devices under some form of standard control. The LAN is most often connected by customer-provided links, or telecommunications paths, within the same building.</b>  <b>There is a rebuttable presumption that a network that crosses a public right-of-way is not an eligible Local Area Network.</b>	Yes
Maintenance	<b>Maintenance that meets the conditions given in the heading "Technical Support" is eligible.</b>	Conditional

Mast	A mast is a structure, or pole, on which an antenna is placed. Typically, it is a tall, vertical, sometimes sectioned pole. Masts are not eligible for discount because they do not meet the definition of Internal Connections.	No
Media Converter	A media converter is a module that converts media to media for network compatibility. The actual media can be various forms of communication, fiber to copper or stranded pair.	Yes
Medium Attachment Unit (MAU)	MAUs are used to terminate each end of a 10Base-T link. As such, it accommodates two wire pairs, one pair for transmitting the Ethernet signal and the other pair for receiving it. The 10Base-T standard describes seven basic functions performed by the MAU. The transmit, receive, collision detection and loopback functions direct data transfer through the MAU. The jabber detect, signal quality error test and link integrity functions define ancillary services provided by the MAU.	Yes
Messaging	<p>Messaging, also called Voice Messaging or Voice Mail, allows the user to receive, edit and forward messages to one or more voice mailboxes in a system. Typically, voice mail is provided as an additional feature of a Private Branch Exchange (PBX), or can also be provided by a telephone company as an optional feature to telephone service.</p> <p>Messaging permits the host to post a message that is played to callers to a telephone number, or PBX extension. Callers may then leave recorded messages for the host. Messaging may also be used to broadcast a message to a large number of users within a system.</p>	No
Modem	<p>Modems are devices that convert data signals into suitable form for transmission over a communications medium and recover data from the received communications link.</p> <p>Modems are eligible if used with, or in, eligible components of Internal Connections. They are not eligible if used with, or in, end-user equipment.</p>	Conditional
Modem Eliminator	<p>Modem Eliminator is a wiring device used in place of a modem to interconnect cables and devices typically connected by a modem, at distances up to several hundred feet.</p> <p>Modem eliminators are eligible if used with, or in, eligible components of Internal Connections. They are not eligible if used with, or in end-user equipment.</p>	Conditional
Monitors	When used with an eligible server, one computer monitor per server is eligible for discount. Monitors used for workstations are not eligible.	Conditional
Multimedia Kit	A package of hardware and software that adds multimedia capabilities to a computer. Typically a multimedia kit includes a CD-ROM or DVD player, a sound card, speakers, and a bundle of CD-ROMS. <b>Multimedia Kits include content and/or are installed as end user equipment. Therefore they are not eligible for discount.</b>	No

Multiplexing	<p>A multiplexer is electronic equipment that allows two or more signals to pass over one communications, or bearer circuit. The "circuit" may be a telephone line, dedicated line, microwave circuit, or a through-the-air signal. It provides an economic means for the service provider and customer to transport multiple circuits by combining, as an example, up to 24 voice grade circuits on a single bearer circuit.</p> <p>If provided as part of internal connections for a local area network it is eligible. If provided as part of a Wide Area Network, it must meet the rules governing WANs, as described in the sections Telecommunications Services and Internet Access.</p>	Conditional
Multiport Serial Cards	<p>A printed circuit card installed in an expansion slot of a computer that <b>provides several serial communication ports, often for the purpose of connecting multiple modems.</b> Multiport serial cards are eligible in servers if the devices they support and the intended use of the cards are eligible. <b>See also the entry for Remote Access Server.</b></p>	Conditional
Network Interface Card (NIC)	<p>An electronic circuit connecting a workstation or server to a network. Usually this is a card that fits into one of the expansion slots inside a computer. It works with the network software and computer operating system to transmit and receive messages on the network. NICs are eligible if part of an eligible product, <b>such as a server, router, switch, or hub.</b> NICs are ineligible if a part of a workstation.</p>	Conditional
Network Interface Device (NID)	<p>The Network Interface Device, or NID, is a device installed between a telephone network and the inside wire of a customer premises. The NID is generally provided by the telephone company and is the transition, or hand off point between the company's network and the customer's inside wiring.</p> <p>In terms of the "E-Rate" program, it is the beginning of the Internal Connections on the customer's premises. Installed with Telecommunications Services, there is normally no charge for the NID. However, if a cost is associated with the installation of the NID, it is eligible for discount.</p> <p>The NID may be considered part of Telecommunications Services if it is installed coincident with a Telecommunications Service, or as part of Internal Connections.</p>	Conditional
Network Management	<p>A system of equipment or software used in monitoring, controlling, and managing a communications network. <b>Network management software, services, and equipment are not eligible for discount.</b></p>	No
Paging Equipment / Systems	<p>Paging equipment typically consists of an amplifier, speakers and a means of accessing the system, such as a dial access unit to a PBX. Paging equipment should not be confused with Paging Service, which is eligible.</p> <p>Paging equipment is not considered telecommunications equipment, or equipment needed to access the Internet. Further, it does not meet the definition of Internal Connections in that it is not needed to deliver information to the classroom.</p>	No

PC Attendant Console	<p>The PC Attendant Console is an electronic PC (computer) based console used in support of, or in place of, a PBX system. The Console provides the capabilities and features of other attendant consoles, such as call transfers, answer button with queuing, emergency call priority, call waiting count, busy lamp field and many others.</p> <p>One Console qualifies for discount with each PBX, or in place of a PBX system, whether PC Attendant or another type.</p>	Conditional
Personal Computer	Personal Computers, or Workstations, are computers designated, or designed for one person's use. They are distinguished from computers used in the routing of information to individual classrooms.	No
Personal Digital Assistant	<p>Personal Digital Assistant (PDA) is a handheld device that combines computing, telephone/fax, and networking features. A typical PDA can function as a cellular phone, fax sender, and personal organizer. Unlike portable computers, most PDAs are pen-based, using a stylus rather than a keyboard for input. This means that they also incorporate handwriting recognition features. Some PDAs can also react to voice input by using voice recognition technologies.</p> <p>PDAs are end user equipment that do not meet the definition of eligible Internal Connections. They are therefore ineligible for discount.</p>	No
Power Poles	Power poles are metal or plastic piper or poles used to carry wire from the ceiling to the floor level. <b>Power poles have the same eligibility conditions as given in the description for Conduit/Raceway earlier in this section.</b>	Conditional
Power Strips	Power strips are electrical devices considered ineligible for discount. The only exception is if they are a bundled component part of an eligible service or product such as rack mounted power strips. See Rack Mounted Power Strips.	Conditional
Printer	A device, that most commonly accepts computer information and prints it on paper. Printers are not eligible for discount, except those that are provided with a Private Branch Exchange (PBX) for purposes of producing reports directly associated with the operation of the PBX.	Conditional
Private Branch Exchange (PBX) (wired & wireless)	<p>A <b>telephone</b> switching system, either manual or dial, usually serving an organization such as a business company or a government agency and usually located on the customer's location. The PBX provides internal station to station dialing and optional access to the public switched network.</p> <p><b>A PBX and the core PBX operating system are, in general, eligible for discount. Some products may have modules or features that are not eligible. These include voice mail cards or software, E911 cards, Automatic Call Distribution, and programming modules or software. If these ineligible components are priced or sold separately, this cost must be subtracted from the amount eligible for discount. If the ineligible components are not priced or sold separately, the full product can be eligible for discount, but only if the applicant determines that this is the most cost-effective choice without considering the benefits related to ineligible features.</b></p>	Conditional

Processor Terminator Card	The Processor Terminator Card is a device installed in a computer and used to signal the computer that only one processor is installed in a system permitting multiple processors. Systems permitting multiple processors must be equipped with a redundant processor or a Processor Terminator Card. The Processor Terminator Card is eligible if installed in an eligible server.	Conditional
Public Address P.A. System	A system that allows the user to make announcements through the use of amplifiers and speakers. Typically, access is provided through a telephone system either manually or automatically by dialing a preassigned number.	No
PVBX	A PVBX or Private Video Branch Exchange is a video PBX. The PVBX integrates the functionality of a PBX by providing video integrated into the switching matrix of the PVBX. The PVBX acts as a video <b>distribution</b> system linking classrooms and administration as well as traditional PBX methodologies.	Yes
Raceway	<b>See Conduit.</b>	Conditional
Rack Mounted Power Strips	Rack mounted power strips are incidental to equipment racks installed to house equipment. Equipment racks are an eligible component of Internal Connections if they house eligible equipment. Power strips are considered eligible only if they are a bundled component part of an eligible service or product.	Conditional
Racks	A metal supporting framework for mounting cables, equipment or wires. It is eligible if the supported equipment is eligible.	Conditional
RAD	RAD, or rapid application development, is a programming system that enables programmers to quickly build working programs. In general, RAD systems provide a number of tools to help build graphical user interfaces that would normally take a large development effort. Some of the RAD systems currently available for Windows are Visual Basic, Delphi and FastRAD.  RAD is software that is not needed to operate an eligible server and therefore is ineligible for discount.	No
RAID	Short for Redundant Array of Independent Disks, RAID is a category of disk that employs two or more drives in combination for fault tolerance and performance. RAID disk drives are eligible only if used in an eligible component, for an eligible use, such as in a server used for e-mail. See also Hard Disk Drive.	Conditional
Relay I/O Module	Uninterruptable Power Supply module that integrates full UPS control into dry contact environments such as PBXs. The Relay I/O Module is only eligible if used with an eligible component.	Conditional

Remote Access Router	A router on a LAN with a digital DSU/CSU built in for dial up or remote access of a network. Remote Access Routers are eligible if steps are taken to ensure that only eligible entities will have the capability to access them. Remote access to the router cannot be available from homes or other non-school or non-library sites. Applicants are required to provide certification to SLD that the conditions are met prior to approval.	Conditional
Remote Access Server	A Remote Access Server or Communications Server provides dial-in and/or dial-out connections over both analog and digital phone lines. Remote Access Servers and Communications Servers are eligible if steps are taken to ensure that only eligible entities will have the capability to access them. Remote access to the server cannot be available from homes or other non-school or non-library sites. Applicants are required to provide certification to SLD that the conditions are met prior to approval.	Conditional
Routers	Routers are switching devices that can act as an interface between two networks, and connect different segments such as departments or floors in a building. Functionally, routers select the routing path for traffic, may provide network management capabilities, such as load balancing and provide trouble shooting diagnostic capabilities.  A router and the core router operating system are eligible for discount when used for an eligible purpose. Some products may have modules or features that are not eligible, such as functionality for content filtering, management, firewall protection, proxy services, caching, and security. If these ineligible components are priced or sold separately, this cost must be subtracted from the amount eligible for discount. If the ineligible components are not priced or sold separately, the full product can be eligible for discount, but only if the applicant determines that this is the most cost-effective choice without considering the benefits related to ineligible features.	Conditional
Satellite Dishes	Satellite Dishes used for Wireless Wide Area Networks (WANs) are not eligible as Internal Connections. They may, however, be eligible as leased services in other categories of service. See the entries for "Wide Area Network" and "Wireless Wide Area Network" in the Telecommunications Services section, and the entry for "Wide Area Network" in the Internet Access section.  Satellite Dishes used for the receipt of over-the-air radio and television broadcast signals, or radio signals from cable television operators, are not eligible because they are not considered telecommunications services.	No
Servers	A computer or device on a network that manages network resources.  A network file server is conditionally eligible for discount. Eligible file servers are intended to serve as a conduit for information rather than as a source for content. File servers may not be used principally to supplement storage requirements of personal computers on a network.  An associated network operating system is eligible for discount, including any additional functionality provided with the core network operating system at no cost. Software in addition to a core network operating system that is separately priced is not eligible, with the exception that e-mail software is eligible for discount.	



	<p>Eligible servers may be used in the following capacities.</p> <p>DHCP Server Domain Name Server E-Mail Server Terminal Server Web Server</p> <p><b>Ineligible uses include:</b> <sup>6</sup></p> <p>Archive or Data Warehouse Server Caching Server Firewall Server Print Server Proxy Server</p> <p><b>A Remote Access Server (also called a Communications Server) is conditionally eligible. See that heading for further information.</b></p>	<p>Yes Yes Yes Yes Yes</p> <p>No No No No No</p>
Software	<p>Software is eligible if provided as a <b>core</b> component of an eligible Internal Connection. Software for workstations is not eligible for discount.</p> <p><u>Operational Software</u> – software required for operation of eligible equipment.</p> <p><u>Application Software</u> – software such as word processor, spreadsheet, graphics programs, etc.</p> <p>Anti-Virus Browser<sup>7</sup> "E" Mail<sup>8</sup> Filtering Fire Wall<sup>9</sup> Network Administration Software<sup>10</sup> Network Management Software<sup>11</sup> Web Site Construction Software<sup>12</sup></p> <p><b>Software included with an eligible product or service that incurs no identifiable cost and cannot be unbundled is considered eligible. For example, network administration software, included as an intrinsic component of an eligible network operating system, is eligible.</b></p>	<p>Conditional</p> <p>Yes</p> <p>No</p> <p>No No Yes No No No No No</p>

<sup>6</sup> Such servers may not be dedicated to ineligible uses, but may provide such features coincidentally if they are included with core network operating system software.

<sup>7</sup> Browsers are provided by Internet Providers. Software additional to that provided in a Bundled Access to the Internet is not subject to discount.

<sup>8</sup> E-Mail Software, which operates an E-Mail server, is eligible for discounts.

<sup>9</sup> Firewall software is used to protect network components against unauthorized access. Firewall software is not eligible for discounts.

<sup>10</sup> Network Administration Software (different from network operating software), which provides for minimizing accidental reconfiguration and aiding control of client workstations, is not eligible for discount.

<sup>11</sup> Network Management Software (different from network operating software) specializing in the management of automated hardware and software inventory, configuration management, software metering and auditing and extensive reporting and advanced scripting tools, is not eligible for discount.

<sup>12</sup> Web Site Construction Software is not eligible for discounts.

Spare Parts	Spare parts are usually hardware stored in a storage closet and are used to replace hardware on the network that fails. Spare parts are not eligible.	No
Speakerphone	A telephone, or telephone adjunct, which has a speaker and microphone for two way hands free conversation.	No
Speakers for PC/File Server	Speakers are eligible when bundled as a component of a file server, or other eligible server.	Conditional
Station Message Detail Recording	Station Message Detail Recording (SMDR) or Call Detail Recording (CDR) is a software/hardware PBX component that provides the ability to generate reports on call details. Those details include, but are not limited to, call duration, PBX station number, time and date, trunk route, dialed number and cost of call.  SMDR is not eligible for discount.	No
Surge Protector	A device that sits between the customer provided equipment and the commercial AC power outlet. It is designed to protect the equipment from high voltage spikes, or surges, which might damage the equipment.	No
Switchboard	The operation of a PBX requires the use of a switchboard or console for the transfer of incoming calls to the appropriate extension when systems are not equipped with Direct Inward Dialing. Centrex systems also use a switchboard, or console, for this operation although they are not always required since Centrex provides direct inward dialing capability to the station user.	Yes
Switches	A mechanical or electronic device that directs the flow of electrical or optical signals from one side to the other. Switches with more than two ports, a LAN switch or a PBX, are able to route traffic.	Yes
System Improvements and Upgrades	Improvements/upgrades to eligible services are eligible for discounts. Memory upgrades, for example, to <b>file servers</b> are eligible, <b>but would not be eligible in end user workstations.</b>	Conditional
Tape Backup	Tape Backup units, <b>including technologies such as QIC, DAT, 8mm, DLT, AIT, and ADR,</b> are eligible when used as part of an eligible server. They are not eligible when part of a PC, or workstation. The magnetic tapes, which are expendable items, are only eligible if provided as part of the tape backup unit. The cost of purchasing additional or separate tapes is not eligible.	Conditional
Technical Support	Technical support is the <b>assistance</b> of a vendor-provided technician. This support may include the installation, maintenance, and changes to various service and equipment under contract. Technical Support is only eligible if it is a component of a maintenance agreement/contract for an eligible service or product, and it must specifically identify the eligible products or service covered by the contract.	Conditional
Telephone, Telephone Instruments	Telephones, also known as telephone sets, telephone instruments, digital voice terminals, and voice terminals are an assembly of apparatus including a telephone transmitter, a telephone receiver, and usually a switchhook, dial and the immediately associated wiring and components. They are the end user equipment used to transmit and receive Telecommunications between two points. Telephones are not eligible for discount.	No

Terminal Adapter	<p>The Terminal Adapter (TA) is a device that connects a computer to an external digital communications line, such as an ISDN line. TAs are generally eligible for discount. However, some TAs have dual functionality. They combine the function of a fax modem with an ISDN terminal adapter to create a single device that gives access to any compatible ISDN terminal adapter, modem or fax device through a single ISDN line.</p> <p>Terminal adapters are eligible if used with, or in, eligible components of Internal Connections. They are not eligible if used with, or in end-user equipment.</p>	Conditional
Terminal Server	A small, specialized network computer that connects many terminals to a LAN through one network connection. A terminal server has a single network interface and multiple ports for terminal connections. It allows many terminals to be connected to a host via a single existing LAN cable, rather than a variety of point to point cables.	Yes
Test Equipment	Equipment used to test hardware software, cable continuity, telecommunications links, etc.	No
Transceiver	A transceiver is a device that transmits and receives analog or digital signals. The term is used most frequently to describe the component in local area networks (LANs) that actually applies signals onto the network wire and detects signals passing through the wire. For many LANs, the transceiver is built into the network interface card (NIC), while others require an external transceiver.	Yes
Two Way Radio	Two way radios are wireless devices used to communicate generally over short distances. Typically, they are considered to be end user hardware. Two way radios are not used to provide Telecommunications Services, and do not meet the definition of an eligible Internal Connections.	No
TX to FX Converter	The TX to FX Converter is a cable converter that converts copper connection to a fiber connection.	Yes
Uninterruptible Power Supply (UPS)	<p>A device providing a steady source of electric energy to a piece of equipment. A steady offline UPS normally has the load connected to the AC power supply. When main power fails, it transfers the load without any user intervention. UPS are typically used to provide continuous power in case you lose commercial power. It provides power back up.</p> <p>UPS is eligible if provided for use with an eligible component.</p>	Conditional
Universal Box	The Universal Box is the name used by some vendors and service providers for a cable modem. <b>See the Cable Modem entry for eligibility conditions.</b>	Conditional
UPS Interface Expander	<p>A UPS device which provides two additional ports on an existing UPS system which allows for the management of three servers from one UPS.</p> <p>UPS Interface Expander is eligible if provided for use with an eligible component.</p>	Conditional

Video Equipment	End user equipment is ineligible for discount.	No
	Enhanced Multimedia Interface (EMMI) The EMMI is an interface that gives PC and workstation users on ATM networks the ability to send and receive full-motion, high quality video, CD-quality stereo and high speed data. Signals are transformed into ATM cells and transported optically, using the Synchronous Optical Network (SONET) standard.	Yes
	Master Control Unit A Master Control Unit (MCU) is a device that controls the main operating functions of a video system. An MCU is eligible for discount if used in the transport of information for individual classrooms or publicly accessible rooms of a library. It is ineligible if used as end-user equipment.	Conditional
	Media Retrieval Equipment Media retrieval equipment is used to capture and record video signal. The system includes a computer, controller for record and playback function and imaging and system control software. The system acquires, digitizes and records video on disk for future use and viewing. The storage device is generally a computer hard drive.	No
	MPEG Video Encoder MPEG Video Encoder is a device similar to a CODEC that converts analog signals to compressed MPEG. See the entry for CODEC for eligibility conditions.	Conditional
	Multipoint Control Unit A Multipoint Control Unit (MCU) is a bridging or switching device used in support of multipoint videoconferencing. It is eligible for discount if used in the transport of information for individual classrooms or publicly accessible rooms of a library.	Conditional
	Room Design Consulting & System Integration Consulting fees are not eligible for discount. Normally, these charges would be incorporated into the cost of the service, which would be eligible.	No
	Television	No
	Video Amplifiers Video amplifiers and other video equipment necessary to deliver video services to the classroom are eligible for funding.	Yes
	Video Camera	No
	Video Channel Modulator Video distribution box, which takes standard video and audio input from video cameras, recorders, security systems, satellite receivers, disk players and video games and distributes the signals to the end user.	Yes

	<p>Video Conference Equipment Equipment used for video conferencing service such as TV, Cameras, etc.</p> <p>Video Group &amp; Desktop Equipment Equipment used to control the programming, distribution, and selection of video conferencing or televisions broadcast. It is ineligible if used in end user equipment.</p> <p>Video Recorders</p>	<p>No</p> <p>Conditional</p> <p>No</p>
<b>Virtual Private Network (VPN) components</b>	<b>A Virtual Private Network (VPN) uses encryption and/or tunneling services in order to provide highly secure communication over the public Internet or in some cases over point-to-point links. Software and/or hardware equipment used for enhanced security features over a Virtual Private Network is not eligible for discount as Internal Connections.</b>	<b>No</b>
Voice Compression Module	<p>The Voice Compression Module allows voice and fax traffic to share the same lines as data and LAN traffic. A single Voice Compression Module simultaneously compresses up to 32 channels for transmission over public or private frame relay networks or dedicated leased lines.</p> <p>The Voice Compression Module is an eligible component of Internal Connections as long as it is installed in an eligible component.</p>	Conditional
Voice Interface Card	<p>Voice interface cards (VIC) are usually components of a router or components of PBX systems that interface with internal systems and the Public Switched Telephone Network. Some examples of VICs are:</p> <p>FXO Cards E&amp;M Cards FXS Cards.</p>	Yes
Voice Mail Service	Voice Mail is a service that allows the user to receive, edit and forward messages to one or more voice mailboxes.	No
Voice Messaging	<p>Voice Messaging, also called Voice Mail or Messaging, allows the user to receive, edit and forward messages to one or more voice mailboxes in a system. Typically, voice mail is provided as an additional feature of a Private Branch Exchange (PBX) or can also be provided by a telephone company as an optional feature to telephone service.</p> <p>Voice Messaging permits the host to post a message that is played to callers to a telephone number, or PBX extension. Callers may then leave recorded messages for the host. Voice Messaging may also be used to broadcast a message to a large number of users within a system.</p> <p>Voice Messaging and all related equipment and charges are ineligible for discount.</p>	No
Voice/Fax Network Module	Voice/Fax modules are an access product that enables the transmission of multiprotocol data, voice, fax and LAN over frame relay, leased line, DDS or ISDN services. Voice/Fax modules are eligible when used with eligible equipment.	Conditional

<b>Voice/video over IP (VoIP)</b>	<p><b>Internal Connections components that include functionality for real-time or near real-time voice or video over IP (VoIP), if otherwise eligible, are eligible for discount.</b></p> <p><b>However, the cost of services that provide VoIP capability over the Internet are not eligible. See the entry for Specialized Services in the Internet Access section.</b></p>	<b>Conditional</b>
<b>Wire and Cable Maintenance</b>	<b>The maintenance of internal cabling is eligible for discount as a component of contracted technical support. See the entry for Technical Support for further information.</b>	<b>Conditional</b>
<b>Wire Manager</b>	Wire Managers are wire restraints to house/arrange wiring and cabling. They can be aluminum or plastic and may be rack mountable. Wire Managers are eligible when used with eligible wiring/cabling.	<b>Conditional</b>
<b>Wireless PBX Adjunct</b>	An adjunct that functions in conjunction with a Private Branch Exchange, to provide wireless capability to the station end.	<b>Yes</b>
<b>Wireless Local Area Network</b>	<p><b>A wireless Local Area Network has the same eligibility as other Local Area Networks. Hubs, access points, and other components that provide a wireless Local Area Network capability are eligible for discount. See the entry for "Local Area Network" in this section for additional information.</b></p> <p><b>Network interface cards installed in computer workstations are, in general, not eligible for discount. However, the antenna component of a workstation network interface card may be eligible. See the entry for "Antenna" in this section for additional information.</b></p>	<b>Conditional</b>
<b>Wiring, Internal</b>	<p><b>Internal wiring that is eligible for discount includes, but is not limited to: cable (copper/fiber/coax/twisted pair), bays, jacks, blocks, panels, and terminals. Included in this category is all wiring and cable necessary to transport information all the way to individual classrooms.</b></p> <p><b>Wiring that provides electrical service is not eligible.</b></p>	<b>Conditional</b>
<b>Workstation</b>	A Workstation is a personal computer that may operate in a stand-alone environment, or may be connected to a host mainframe computer as part of a network. Workstations, personal computers, or other end user components are not eligible for discount.	<b>No</b>
<b>Zip Drive</b>	Digital drive used in a backup capacity by compressing and storing data. The Zip drive is eligible only if part of, or used with an eligible component.	<b>Conditional</b>

SERVICE	ELEMENT/DESCRIPTION	ELIGIBLE YES/NO
<b>MISCELLANEOUS</b>		
The service category for entries in this section should reflect the same category as the product or service being installed or maintained—Telecommunications Services, Internet Access, or Internal Connections		
Bid Bond	A bid bond is generally obtained by a vendor or contractor from a third party and guarantees the terms of the contract or agreement are met. In the event of default or failure to meet the terms, the bond would be used to complete the contracted work.	No
Cable TV Access	Video services are eligible only if provided as a commercially available Telecommunications Service. Cable providers are not normally considered providers of Telecommunications Services.	No
Construction Costs	Construction costs, e.g., the removal, creation, repair, or replacement of walls and doorways, are not eligible, with the exception that construction incidental to component installation, that restores a facility to pre-installation conditions, is eligible. Asbestos removal is not eligible.	Conditional
Contingency Fees	In cases in which the scope of the work make it difficult to determine the specific costs beforehand, a service provider may include a reasonable contingency fee, but only if it is a regular business practice of the service provider.	Conditional
Dark Fiber (excess capacity)  (provided by service provider but "lit" by applicant)	Dark fiber refers to fiber optic cable that is unused, or "dark." Capital costs for transmission capability that does not have a direct and immediate use by eligible applicants are not eligible.  Service providers can lease fiber capacity that does not include modulating electronics to schools or libraries, if the applicant provides the electronics to modulate the fiber. The lease of such fiber cable for obtaining Telecommunications Services or Internet Access is eligible, if the applicant's electronics are located solely at eligible school or library sites, and if the conditions apply that are described under the heading "Wide Area Network" in the relevant section (Telecommunications Services or Internet Access).	Conditional
Extended Warranty	Extended warranties are those that cover periods of time outside the current funding year. Extended or multi-year warranties must be prorated so only the portion of the warranty applicable to the current funding year is funded.  If a multi-year warranty is included in the price of the equipment for all customers without a separately identified cost, proration is not required.	Conditional
Finance Charges	Finance charges assessed by third party entities for loans to fund the lease or purchase by applicants of items that would normally be eligible for funding are not eligible.	No

Freight Assurance Fees	Freight assurance fees are fees assessed to the purchaser for the guarantee of safe delivery to their premises of goods. More clearly stated it is shipping insurance. Freight assurance fees are eligible for discount if associated with eligible components.	Conditional
Interest Charges	Interest charges assessed by third party entities for loans to fund the lease or purchase by applicants of items that would normally be eligible for funding are not eligible.	No
Leasing Fees	Leasing fees charged for the use of eligible services and products. Finance charges associated with leasing are not eligible.	Yes
Per Diem	Per Diem is a dollar amount designated to a vendor for daily expenses such as lodging and food. It may or may not include travel time. It is eligible for funding if a contract with a vendor for eligible services stipulates, or allows, for per diem. It is not eligible if it is not part of a contract or bid.	Conditional
Performance Bond	A Performance Bond is a bond, generally obtained by the vendor or contractor from a third party, that guarantees the terms of the contract or agreement are met. In the event of default or failure to meet the terms, the bond would be used to complete the contracted work.	No
Professional Services	The category of service specified for Professional Services, i.e., Telecommunications Services, Internet Access, or Internal Connections, should reflect the appropriate service category for the professional service being obtained.	No  Conditional  Conditional  Conditional  No  Conditional  Conditional
	<u>Consulting Services</u> —Costs of expertise in areas such as initial planning, consulting, development of technology plans, application assistance, and program advice are not eligible.	
	<u>Design &amp; Engineering Costs</u> —Design and engineering costs are eligible if they are coincident with the installation of eligible equipment or services and if part of a contract or bid for those eligible products or services.	
	<u>Installation</u> —The charges incurred for the installation of eligible Telecommunications Services, Internal Connections and Internet Access are eligible for discount.	
	<u>Maintenance</u> —Maintenance is eligible for discount only if it is a component of a maintenance agreement/contract for an eligible service or product. The agreement or contract must specifically identify the eligible products or services covered.	
	<u>Personnel Costs</u> —Labor costs for schools and library personnel are not eligible for discount.	
	<u>Project Management</u> —Costs associated with the overall management of the installation and initial operation of eligible products and services are eligible if they are part of a contract or bid for the eligible products and services.	
	<u>Training</u> —Training is eligible if it is basic instruction on the use of eligible equipment, coincident with and directly associated with the installation of such equipment. Training of teachers and staff in the use of covered services in their programs of instruction or for professional development is not eligible for discount.	Conditional



Programming and Configuration Charges	Charges for <b>configuration</b> of eligible internal connections are eligible for discount to the extent the charges are for the <b>configuration of eligible hardware and software</b> .  <b>Creation of customized software through the programming of computer code is ineligible.</b> Application software is ineligible, as is its programming or configuration charge.	Conditional
Shipping Charges	Shipping Charges are the charges associated with the delivery of products from their point of origin to the customer premises. Shipping Charges are eligible for discount when they are for the delivery of eligible products, or services.	Conditional
Taxes, Surcharges and Access Charges	All reasonable charges including federal taxes and state taxes that are incurred in obtaining eligible Telecommunications Services, Internet access and internal connections are eligible. Charges for termination liability, penalty surcharges and other charges not included in the cost of obtaining eligible services will not be supported.	Conditional
Travel Time	The cost of travel to and from a work site is eligible for discount so long as a contract with a vendor for eligible services stipulates, or allows travel time. It is not eligible if it is not part of a contract or bid.	Conditional

**EXHIBITS F-K**  
**REDACTED**